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CENTRAL INTELLIGENCE AGENCY Office of Current Intelligence 2 January 1963

CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: Khrushchev's New Year's Eve Remarks 25X1

- 1. Khrushchev's New Year's Eve remarks were relatively restrained and provided no indication as to the future direction of Soviet policies and tactics towards the West. His general observations and at times rambling comments characteristically reflected the expansive mood in which he normally attends parties of this sort.
- Khrushchev's comments on the international situation were generally restricted to a reiteration of familiar Soviet themes and did not depart from previously stated Communist positions. He implicitly accused the Western powers of stalling on a disarmament agreement. According to available Western press reports, Khrushchev did not allude to the problem of Berlin and Germany in his remarks and gave no hint as to the timing of any new Soviet initiatives on these questions. The overall tenor of Khrushchev's remarks suggests that Soviet leaders are still assessing and reviewing policy matters in the aftermath of the Cuban venture.
- 3. His comments on the need to promote peace in the world reflected his New Year's message to President Kennedy in which the Soviet Premier expressed the hope for a "radical improvement" of the international situation. Khrushchev apparently devoted much of the evening to a defense of his handling of the Cuban crisis. In toasting the Soviet Army, the Soviet leader admonished his audience that the USSR will be on the watch and that the Soviet Army must be supplied with a greater quantity of modern weapons. He did not elaborate further on this statement. In recalling the Cuban crisis, Khrushchev warned the West that it would be "utterly smashed within hours" if it chose to unleash a nuclear war. However, in keeping with the moderate tone of his remarks. Khrushchev added that he did not mean this as a threat but as a "realistic warning."

4. In an oblique reference to the intensifying Sino-Soviet dispute, Khrushchev admitted that there were "family differences" within the socialist camp but added that "as soon as a capitalist sticks his nose into our differences we will fight against him together." Khrushchev had made an earlier indirect reference to Communist China's charge that he had retreated during the Cuban crisis in the face of an alleged Western nuclear threat. The Soviet Premier asserted that the Communists will win "not by guns, rockets or nuclear weapons...but by the minds of people." He declared that the "USSR did not want to destroy all that it had built" and added that it was not intelligent for Communism to destroy a few capitalists and millions of the working class.